



Agro-Ecological Investment Management

BIODIVERSITY, ECOSYSTEM SERVICES & INVESTMENT PERFORMANCE

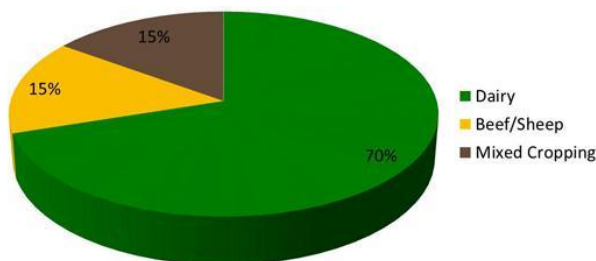
Sound, robust and efficiently functioning environmental services and particularly biodiversity are fundamental drivers of production performance in organic agricultural management systems.

Agro-Ecological therefore represents an investment approach/proposition that generates superior environmental services and biodiversity outcomes in order to generate superior **investment performance**.

Farmland Investment

The Agro-Ecological NZ Farmland Investment Fund is focused on investment in, and the ecological/organic management of farmland in New Zealand.

Asset Allocation



It is our considered view that the developments in the agriculture sector will necessitate (and significantly advantage) a new ecologically literate and **resilient** approach to **farmland investment** and management.

Organic certification is an indelible mark of the level of seriousness with which the concept of sustainability is taken, and confirmation that investors are accessing a measurably sustainable and responsible investment.

Investment Summary

- Farmland has an array of underlying investment strengths including uncorrelated returns, capital preservation, inflation hedge and excellent long term performance.
- Strong long term underlying fundamentals, including a growing and wealthier population, increasing protein consumption and available land (and water) in decline.
- New Zealand - an efficient, low risk and major food exporter with material geographical and climatic advantages.

- Target IRR of 10-13% from income and capital appreciation.
- A secure real asset, managed for exceptional ecological performance, resilience and positive, long term investment outcomes.

The Management Team

A highly experienced and knowledgeable management team. The key personnel have been active in organic agriculture and the business of farming for a combined 40 plus years. Agro-ecological scientific and management **knowledge** is not widespread, well understood or easily achieved, creating a marked and serious barrier to entry.

Geoff Burke (Managing Director)

Deborah Jack (Head of Investment - NZ)

Dr. Charles Merfield (Head of Agronomy)

Environmental Benefits

"Through its holistic nature, organic farming integrates wild biodiversity, agro-biodiversity and soil conservation, and takes low-intensity, extensive farming one step further by eliminating the use of chemical fertilizers, pesticides and genetically modified organisms (GMOs), which is not only an improvement for human health, but also for the fauna and flora associated with the farm and farm environment.

Organic farming enhances soil structures, conserves water and ensures the conservation and sustainable use of biodiversity." (See: www.ifoam.org)

The benefits of organic production are delivered in social, health and environmental terms. They include reversing the decline in biodiversity, reductions in environmental pollution and in the levels of pesticide residues in food.

There is scope within organic production systems to become more fuel/energy self-reliant which provides the opportunity for reduced carbon/ecological footprints, farm operating costs and on-going exposure to increases in fossil fuel input costs.

Organic Agriculture and Biodiversity (IFOAM)

Environmental Benefits of Organic Agriculture (FAO)

Global Climate Change

The detailed scientific evidence is very clear; organic agriculture is superior to conventional agriculture in terms of **climate change** performance.

This fact is largely unrecognised by the investment community, which affords those with, or with access to, the requisite but otherwise remarkably scarce levels of agro-ecological **knowledge**, a marked advantage.

Organic Agriculture and Climate Change (FAO)

New Zealand

- A major global food exporter; notably dairy, lamb and horticultural products across the world (Europe, Asia, Middle East and North America).
- Outstanding infrastructure, political stability and a transparent, enforceable system of land law.
- A market driven (subsidy free), efficient and productive agriculture industry.
- Remarkable diversity of climates/farming enterprises within a relatively small geographical area.
- Protein production (dairy & meat) from pasture alone, i.e. no exposure to the (rising) cost of cereals as feed.
- Geographically well positioned for growing Asian markets.
- Excellent access to water through reliable rainfall and/or irrigation.



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Organic Outperformance

- Organic management is a measurably more resilient and energy efficient approach in the face of global climate change.
- Organic is the fastest growing segment in the food sector.
- The environmental superiority of organic production is increasingly advantageous financially as environmental impacts/costs increase, and markets, e.g. carbon, and biodiversity, develop.
- Organic pastoral production is competitively advantaged in the face of resource constraints and rising input prices, e.g. feed, fertiliser and chemical sprays etc.
- In key targeted enterprise classes organic production achieves at, or close to, conventional production but with lower costs and higher prices received



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